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FEDERAL COMMUNICATIONS COMMISSION
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CC 92-77

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable David Price
House of Representatives
1406 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Price:

Chairman Alfred C. Sikes has asked that I respond to your letter on behalf of Lindy Pendergrass, Sheriff of Orange County, North Carolina, regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to change the way local telephone companies handle certain operator service calls.

Currently, if a caller places a "0+" operator services call (that is, the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from which the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on long-distance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls without dialing access codes, while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

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Honorable David Price

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Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has thus far received extensive comment on the billed party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal before taking final action on it. We will incorporate your letter, including the letter from your constituent, in the record of this proceeding so that it may be accorded proper consideration by Commission staff.

Sincerely,

A handwritten signature in dark ink, appearing to read "Cheryl A. Tritt", is written over the typed name.

Cheryl A. Tritt
Chief, Common Carrier Bureau

DAVID PRICE
4TH DISTRICT
NORTH CAROLINA

COMMITTEE ON APPROPRIATIONS



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515
October 30, 1992

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OFFICES:
1406 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
(202) 225-1784
225 HILLSBOROUGH STREET
SUITE 330
RALEIGH, N.C. 27603
(919) 856-4611
1777 CHAPEL HILL-DURHAM BLVD.
SUITE 202
CHAPEL HILL, N.C. 27514
(919) 967-8500
SUITE 101
FEDERAL BUILDING
ASHEBORO, N.C. 27203
(919) 626-3060

880000240

Mr. Alfred C. Sikes
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

Dear Commissioner Sikes:

I have been contacted by one of my constituents, Sheriff Lindy Pendergrass, who is concerned about Billed Party Preference CC Docket No. 92-77. I am enclosing a copy of his letter for your review.

As his letter indicates, Sheriff Pendergrass is particularly concerned about the effect of Billed Party Preference on phones in correctional facilities. I would appreciate any information about the likely effect of the BPP Docket on correctional facilities that you could provide.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Price".

DAVID PRICE
Member of Congress

DP:jlb

Enclosure

LINDY PENDERGRASS

Sheriff of Orange County

Hillsborough, North Carolina, 27278

August 17, 1992

Office Phone: Hillsborough 732-2431

Chapel Hill 942-6300

Residence Phone: 929-5535

Honorable David E. Price
4 th District Congressional Representative
United States House Of Representatives
1406 Longworth House Office Building
Washington, DC 20515

Dear Congressman Price,

I have received information that the Federal Communications Commission is presently conducting hearings on Billed Party Preference CC Docket No. 92-77.

These hearings are proposing as I understand after reading the report, private companies could possibly be eliminated from providing inmate telephone services from jails.

Some eighteen months ago we rolled a phone cart around in our jail for the inmates to use. This not only consumed manpower but was not effective. Inmates could not reach family or friends during work hours etc; during time allowed to use the phone.

We contacted our local phone company Centel and received and asked if they would place phones in all cells. They replied putting pay phones in all cell blocks would not be cost effective for them. They would install regular phones which we would have to pay a monthly rate; this we could not afford.

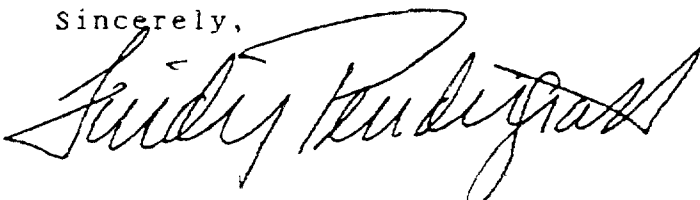
We heard about private phone services and asked Pay-Tel Company to come in and give us a perspective of how they could improve our phone service for inmates. After speaking with Pay-Tel we accepted their services.

We since have used this private phone company and readily will state; they have provided our inmates with a 24 hour phone service to call anywhere anytime they wish.

This service has also provided revenue for this county off-setting jail cost to our citizens.

I hope you will find time to look into this matter and assist us in allowing private companies to continue to provide private phone services to our jails. I thank you for your time and consideration in this matter.

Sincerely,



Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Billed Party Preference) CC Docket No. 92-77
for 0+ InterLATA Calls)

COMMENTS OF THE INMATE CALLING SERVICE PROVIDERS
TASK FORCE OF THE AMERICAN PUBLIC COMMUNICATIONS COUNCIL

Albert H. Kramer
Robert F. Aldrich
Helen M. Hall

Keck, Mahin & Cate
1201 New York Avenue N.W.
Washington, D.C. 2005-3919
(202) 789-3400

Attorneys for American Public
Communications Council

Dated: July 7, 1992

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In the Matter of)
)
Billed Party Preference) CC Docket No. 92-77
for 0+ InterLATA Calls)

1 ICSPTF, in discussing inmate-only phones in correctional facilities, is not addressing payphones which may be available at the facility for use by the public in, for example, the visiting area. Inmate-only phones refers to those phones limited to use by inmates.

SUMMARY

In the Notice, the Commission requested comments on the possible implementation of Billed Party Preference ("BPP"). Notice, ¶ 1. More specifically, the Commission requested comments on the types of calls and phones which should be included in BPP, if implemented. Notice, ¶ 32.

Inmate-only phone providers have developed specialized telecommunications services which efficiently and effectively serve the particular environment of correctional facilities. These specialized services have been developed to meet the calling needs of inmates while being directly responsive to the specialized requirements of correctional officers and administrators.

In addition, inmate-only service providers have designed their services to address and prevent the historically high levels of fraudulent calling originating from correctional facilities. Toll fraud from correctional institutions has typically been substantially higher than fraud over the public network generally. For example, the Arizona Department of Corrections ("ADC") has stated that fraudulent calls comprise approximately ten percent of total calls (and over \$30,000 per month in fraudulent charges) from ADC prison facilities. Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Dkt. No. 91-35, ("Access Proceeding"), Comments of ADC at 2-3, (April 1, 1991). The Communications Fraud Control Association estimates that toll fraud originating from educational and military institutions and prisons causes an annual loss of \$150 million. See Issuance of

Special Certificates for Provision of Telephone Service by Means of Customer-Owned Pay Telephones, Dkt. No. P-100, Sub 84, Industry Report to the North Carolina Utilities Commission ("Industry Report to the NCUC"), (March 1, 1989).

Requiring BPP from inmate-only phones will bypass the specialized call processing and handling capabilities of inmate-only phones. BPP will instead divert calls from institutional facilities to general service providers who do not have the capability of handling these calls properly. BPP from inmate-only phones will impair the effectiveness of the service, and will cause increased fraud and other criminal activity. Both this Commission² and every state known to ICSPTF that has considered the issue³ has

² Policies and Rules Concerning Operator Service Providers, CC Dkt. No. 90-313, ("Operator Services Proceeding") (1991).

³ See e.g., Generic Proceeding on COCOTs, Alabama Public Service Commission, Dkt 21682, ("Alabama Order"), (November 7, 1991); Generic Hearings to Establish Rules and Regulations Relative to the Providers of Institutional Telecommunications Services, Georgia Public Service Commission, Dkt No. 3922-U, ("Georgia Order"), (decided July 2, 1991); The Investigation and Review of Customer-Owned, Coin-Operated Telephone Regulation, Kentucky Public Service Commission, Administrative Case No. 337, ("Kentucky Order"), (January 21, 1992); Order to the Mississippi Public Service Commission Initiating a Generic Docket Pertaining to the Provision of Coinless Telecommunications Services to Inmates in Correctional Facilities, Mississippi Public Service Commission, Dkt No. 92-UA-0044, ("Mississippi Order"), (May 20, 1992); The Commission's Consideration of an Amendment to its Rules Governing Customer Relations of Telephone Companies, IDAPA 31.D. with Regard to Telephone Service From Institutions of Confinement, Idaho Public Utilities Commission, General Order No. 181B, Case No. 31.D-R-91-1 ("Idaho Order") (March 2, 1992); Petition by Nevada Bell for a Declaratory Ruling that the Use of Automated Operator Services Equipment, Including Automated Pay Telephone Equipment, by an Alternative Operator Services Provider or a Reseller to Complete Local or IntraLATA Long Distance Calls Constitutes a Violation of NAC 704.6868, 704.6882, 704.687, and 704.749 and Will
(continued...)

recognized that there are special requirements for inmate only-phones, and that the general rules applicable to payphones or aggregator phones cannot be applied to inmate-only phones. The Commission should adhere to these precedents. Whatever the Commission's ruling regarding the deployment of BPP generally, the Commission should clarify that BPP does not apply to inmate-only phones.

DISCUSSION

A number of the specialized requirements of inmate-only phones is discussed in Section I. The detrimental effect of imposing BPP or inmate-only phones is discussed in Section II. The distinction between inmate-only phones and other phones, and the importance of different regulatory treatment for inmate-only phones are discussed in Section III.

I. SPECIALIZED REQUIREMENTS OF INMATE-ONLY PHONES MEET THE PARTICULAR NEEDS OF CORRECTIONAL FACILITIES

An inmate-only telephone system has a number of needs not applicable to payphones or aggregator phones in general. Inmate-only phones should permit reasonable calling access so that inmates are able to reach their families or attorneys, but inmate-only

³(...continued)

Not Be Permitted, Nevada Public Service Commission, Dkt No. 91-8022, ("Nevada Order"), (decided June 1, 1992); Issuance of Special Certificates for the Provision of Telephone Service by Means of Customer-Owned Pay Telephones, North Carolina Utilities Commission, Dkt No. P-100, Sub 84, Order Promulgating Final Rules for COCOTs in Confinement Facilities ("North Carolina Order I"), (June 16, 1989); Allowing Local and IntraLATA 0+ Collect Authority for COCOT Providers Serving Confinement Facilities, South Carolina Public Service Commission, Dkt. No. 90-305-C, Order No. 91-122 ("South Carolina Order") (March 4, 1991).

phones may have to restrict calling to other parties. At the same time, the phone system must not jeopardize security. Inmate-only phones should also assist in the prevention of fraudulent calling, other criminal activity, or harassment.⁴ Following is a list of specialized requirements and how they assist in meeting needs unique to correctional facilities.

A. Many Correctional Facilities Limit the Type of Calls Which Can be Placed from Inmate-only Phones

When state utility commissions and/or correctional facilities administrators consider telephone service for inmate calling, a fundamental requirement is collect only calling from inmate-only phones. As the North Carolina Utilities Commission stated, "generally speaking, only 0+ collect calls will be permitted for local, intraLATA and interLATA calls and that all other calling is to be blocked." North Carolina Order I at 4. See also Alabama Order at 5; Georgia Order at 7; Kentucky Order at 3; Mississippi Order at 9. Because inmate-only phones are generally limited to collect only calls, other types of calls, such as incoming or calling card calls are not permitted. See e.g. Maricopa County, Arizona Request for Proposals for Charge-Call (Coinless) Inmate Telephone ("Maricopa County, RFP"), ¶ 8.2.10 ("No credit cards will be allowed."), (Publication dates May 4 and May 11, 1990; Utah RFP for Premise Equipment for Pay Phones Gunnison Prison ("Utah RFP"),

⁴ For example, inmate-only phones often block 950 or 800 carrier access so that fraudulent calling card calls are prevented. See infra at 8-9. Inmate-only phones also generally block calls to witnesses who testified against an inmate. See infra at 6.

¶ 4, Minimum Requirements ("Incoming calls to inmate telephone are not to be permitted."), (August 2, 1990).

By limiting the type of calls which can be placed from inmate-only phones, fraud or other criminal activity is reduced. Limiting call type to meet requirements of particular facilities demands a specialized phone system.

B. Specialized Call Restrictions are Generally Required at Inmate-only Phones

1. Call Duration and Time of Day Limits

Another common requirement for inmate-only phones is the ability to limit call duration and/or to limit calling to a particular time of day. See Georgia Order at 5 (Correctional administrators should be able to manage inmate calling by call duration); Mississippi Order at 4 (Smart telephones can be programmed to limit calling by time of day and duration). Time limits on inmate calling allow more inmates to have access to a limited number of phones.

2. Called Number Restrictions

Restricting inmate calling by called number is another specialized requirement of inmate-only phones. Inmate-only phone providers are often required to block calls to designated numbers, such as judges, witnesses, or the police. See e.g., Georgia Order at 5 (correctional administrators should have capability of managing who inmate can call); Mississippi Order at 9; Utah RFP, ¶ 23 (requiring ability to deny access to designated numbers). On the other hand, providers may be required to restrict inmate calling only to certain pre-designated numbers, such as family

members, the inmate's attorney, etc. See e.g., Mississippi Order at 9; Maricopa County RFP at ¶ 9.2.11 (requiring the "[a]bility to deny inmates access to specific phone number, i.e., police (911)); Utah RFP, ¶ 23.

These requirements prevent or reduce harassment, fraudulent calling, or other criminal activity. The South Carolina Public Service Commission found, for example, that "[h]arassment calls from inmates to jurors, witnesses, and county personnel have been virtually eliminated by utilizing the selective number blocking feature available through store and forward technology." South Carolina Order at 9. The North Carolina Utilities Commission concluded that restricting the numbers an inmate can call or blocking calls to particular numbers "will tend to deter fraud and abuse, including intimidation and harassment emanating from the inmate setting. As the Public Staff pointed out, numbers restriction is a decision that should be left to facility administrators. These administrators are in a position to best determine the needs of their particular facility." Issuance of Special Certificates for Provision of Telephone Services by Means of Customer-Owned Pay Telephones, North Carolina Utilities Commission, Dkt. No. P-100, Sub 84, Order Allowing Number Access Restrictions in Confinement Facilities ("North Carolina Order II") at 2-3, (December 13, 1991).

Selectively blocking or allowing calls to specified numbers requires sophisticated processing capability to perform a positive or negative screening on each call through flexibly programmed

databases. This type of database requires a specialized system in order to satisfy the screening requirements at particular institutions.

3. Calling Party Restrictions

Some states also request that service providers block calls attempted by particular inmates or calls attempted from certain phones. See e.g., Maricopa County RFP at 9.2.12 (requiring "[a]bility to deny calling privileges to inmates and to reinstall privileges as deemed necessary by authorized jail personnel"); Utah RFP at ¶ 13 ("UDC [Utah Department of Corrections] fully reserves the right to shutdown inmate telephones and limit inmate access to inmate telephones in any or all areas as needed, in order to manage the inmate population and maintain security of any UDC facilities"). This requirement assists in maintaining security. During a disturbance, for example, the ability to place calls can be restricted. Fraudulent calling can also be reduced by restricting calling from a particular inmate or phone. Another means of reducing fraudulent calling or other criminal activity is disabling the keypad.

4. Other Number Restrictions

Another aspect of calling restrictions involves preventing dialing of access codes or other commonly used numbers. Most inmate-only phone systems must block calls to numbers such as 700/800/900, 950, 976, 411, 0- and repair service. See e.g., Georgia Order at 9; Idaho Order, Appendix A at 9, (providers may block, for example, 950 or 800 numbers, and must block numbers as

directed by the institution's administrators); Mississippi Order at 9; North Carolina Order I at Appendix A. Blocking calls to these numbers reduces fraudulent calling by limiting access to the public network. Inmates thus have less opportunity to manipulate either a live operator or the network in order to defeat calling restrictions.

C. Correctional Facilities Administrators Often Require Call Monitoring and Recording Capability

Correctional facilities administrators selecting inmate-only phone systems typically require listening and/or recording capability.⁵ See e.g., New Mexico RFP for Inmate Telephone and Call Monitoring Service, New Mexico Corrections Department ("New Mexico RFP"), at 33-34 (requiring ability to search and retrieve recorded information based on such factors as area code, number called, time, and phone location), (July 23, 1991); Washington Department of Corrections Inmate Telephone System and Recording/Monitoring ("Washington RFP") at ¶ 2.07 (requiring search capability), (September 4, 1991); Idaho Order, Appendix A at 6 (officers may listen to or record calls). Monitoring capability assists in the detection and prevention of criminal activity. For example, the Arizona Department of Corrections reported that monitoring of inmate calls enabled them to prevent a murder an inmate attempted to plot with an accomplice. Access Proceeding, Comments of ADC at 4, note 1. In conjunction with

⁵ Some states also require the ability to disable recording of calls to certain individuals, such as attorneys. Utah RFP at ¶ 27.

listening/recording capabilities, inmate-only service must also generally be able to provide customized call detail reports. See e.g., New Mexico RFP at 37 (requiring reports by inmate showing the number called); Utah RFP at 8 (requiring real time reports by, for example, PIN number associated with a particular inmate, by called number, by originating number, by frequently called numbers); Washington RFP at ¶ 5.0, (requiring ability to search and retrieve call detail by, for example, area code, by called number, date, time, length, phone location).

As shown by the requirements above, call detail may be designed to report calling based on several different variables. These reports, particularly if provided on a real time basis, assist in detection and prevention of criminal activity and fraudulent calling. The Mississippi Public Service Commission noted the assistance real time call detail can provide, stating that "[t]his latest technology gives the correctional facility administrator, using a personal computer, an up-to-the-minute report on all calls from his correctional facility. Reports of this nature can be quite helpful in the event of an escape or an escape attempt." Mississippi Order at 4.

D. Specialized Procedures are Required to Ensure Proper Call Handling

Operator handling is another specialized aspect of phone systems in correctional facilities. Some states favor automated operator assistance. See e.g., Mississippi Order at 4, South Carolina Order at 9, 10; Utah RFP at ¶ 21 (indicating preference for automated operator in particular facility). The Industry

Report to the NCUC made particular mention of inmates' ability to "get by" operators by deceiving them. By eliminating interaction with a live operator, manipulation and harassment are prevented, and fraud can be reduced. Where live operators are involved in handling calls from inmate-only phones, they are specially trained in handling calls from institutions. See, Washington RFP at ¶ A.1 (operators must be trained in Department Of Corrections procedure).

When a call is placed, the inmate-only phone provider may be required to identify the origination of the call. See e.g., Washington RFP at ¶ A.24 (requiring that provider can identify that call is from an inmate) Operators may be required to announce the calling party and the institution from which the call is placed. See e.g., South Carolina Order at 10-11 (noting that COCOT phones are able to identify both the calling party and the facility from which the inmate is calling, but that Southern Bell could not identify the facility).

Call announcement procedures may require that the operator announce the call so that the inmate cannot hear it. Utah RFP at ¶ 20 ("All inmate calls must be blocked in such a way that the inmate cannot hear the operator contact with the called party or responses by the called party.").

Some states require Spanish-speaking operators. Maricopa County RFP at section 9.2.9 (requiring provision of a simulated operator in both Spanish and English); New Mexico RFP at 39 (requiring bilingual operator service); Washington RFP at ¶ 2.26

(requiring English, German, Spanish, and French language capabilities).

Generally, the called party must affirmatively accept a collect call from an inmate by either verbal acceptance or by entering a number on the keypad. Most states with this requirement also require that inmate-only phone systems not accept time lapse or an answering machine as an indication of call acceptance. See Washington RFP at ¶ A.13 (requiring ability to detect answering machine and disconnect the call); Alabama Order at 6; Georgia Order at 9; Mississippi Order at 10; South Carolina Order at 30. Some systems may be required to disconnect a call if no positive acceptance is received. See Washington RFP at ¶ A.13; Alabama Order at 6. This helps reduce fraud by requiring positive acceptance indicating willingness to pay for the call.

It is commonly requested that inmate-only phone systems eliminate call transfer to a third number once the called party accepts a collect call from an inmate. See, e.g., Utah RFP at ¶ 30 (requesting capability of eliminating or detecting call transfer to another location once the call is accepted); Washington RFP at ¶ A.34 (requiring that system can block call forwarding to another number). Another requirement may be prevention of third party access by other inmates. Idaho Order at 6.

Each of these requirements for specialized call handling reduces the ability to manipulate the network and/or a live operator, thereby reducing fraud, harassment, or other criminal

activity. Further, appropriate call handling for calls from correctional facilities is ensured.

E. Commission Payments

In the Notice, the Commission discussed a number of potential benefits of BPP, one of which was focusing operator services competition on end users rather than on commission payments. See Notice ¶ 19. The Commission stated that BPP "would redirect the competitive efforts of OSPs towards providing better services and lower prices to end users, as opposed to paying higher commissions." Id. ICSPTF does not agree with the preceding statement's implication that competitive efforts are not currently directed to end users, or that inadequate service or high prices are traceable to commissions.

In any event, the Commission concern is misplaced with regard to inmate-only phones. Correctional administrators often require that rates to inmates at inmate-only phones be capped at the dominant carriers' rates. See Georgia Order at 6; Mississippi Order at 8; South Carolina Order at 28-29.

The fact that correctional facilities receive commission payments should not be frowned upon. Inmate-only phones are designed for a unique purpose, to meet needs which are not compatible with needs for other types of phones. Moreover, in these times of fiscal restraint and tightening budgets, the Commission should not ignore the revenue opportunity states may obtain from payment of commissions by inmate-only service providers. The commission revenue generated by inmate-only phones

may be used to defray maintenance costs at the facility, or for educational and recreational purposes for inmates' benefit. See Access Proceeding, Comments of the State of South Carolina Division of Information Resource Management, at 5, (November 7, 1991); Nevada Order at 21.

* * * * *

The specialized requirements for call handling and other treatment of inmate-only phones, as described in the preceding sections, provide the correctional institution with control over the inmates' calling.⁶ Institutions are able to provide reasonable calling privileges to inmates while preventing potential abuse. Harassment, fraudulent calling, and other criminal activity are also deterred or prevented.

II. BPP WOULD BYPASS SPECIALIZED INMATE-ONLY PHONE SYSTEMS AND WOULD IMPAIR THE SERVICE

BPP would require routing calls to the billed party's OSP of choice. As a result, specialized requirements will be restricted or impaired, resulting in increased fraud, harassment, or other criminal activity. Inmate-only service is unique. In contrast to calls placed by the general public, calls placed from inmate-only phones are not the type which should be freely routed through the public network.

⁶ Other benefits may also result. For example, installation of inmate-only phones in cell block areas requires less supervision of inmates because a guard is not required each time an inmate places a call. Reduced supervision requirements mean reduced administrative costs and security risks. Institutions are also able to maintain better discipline, and inmate morale is higher. See e.g., Mississippi Order at 5-6; South Carolina Order at 8-9.

If BPP were required at inmate-only phones, each call would be routed to the local exchange carrier ("LEC") operator service switch, then to the operator service provider. See Notice, ¶ 9. Not all carriers are capable of restricting call type according to the specific requirements of an institution. And many carriers are not capable of providing the specific restrictions or monitoring required in most states. See Industry Report to NCUC at 1 ("some LECs, and at least two IXC's, are unable to provide the specialized blocking and/or screening needed for inmate facilities."); South Carolina Order at 10 (Southern Bell cannot selectively restrict calls to particular numbers.)

The features and capabilities provided with inmate-only phones would be bypassed if BPP were required from inmate-only phones. Appropriate call handling could not be ensured if calls are routed to carriers without the specialized capabilities required by correctional administrators for inmate-only phones. Other carriers' equipment and networks may not be compatible with specialized requirements of institutions. For example, carriers may not be able to determine that a call originates from a correctional institution and that the call requires special handling. Even if signalling indicating the type of originating location were available, it may not be passed to other carriers from a non-equal access end office. Many prisons are located in more rural areas where equal access may not yet have been implemented. Further, there is no assurance a carrier's operators are trained to appropriately handle a call from an institution.

The result of improper call handling would be increased criminal activity and fraudulent calling.

Bypassing the specialized capabilities offered by providers such as members of ICSPTF with no assurance that other carriers who would then be involved would be capable of providing the specialized requirements would result in loss of control over inmate calling. Other providers may not be capable of restricting call type, or numbers an inmate can call, or of providing the call monitoring needed by correctional administrations.

III. THE COMMISSION SHOULD CLARIFY THAT BPP DOES NOT APPLY TO
INMATE-ONLY PHONES AT CORRECTIONAL FACILITIES

A correctional facility is a controlled environment. Security is a paramount consideration. Inmates are confined, and activity is restricted. Correctional facilities are not like public areas where activity is unrestricted and people are free to come and go. Because the environment in a correctional facility is different from public areas, provision of telephone service to inmates must be considered in the context of the controlled environment. Unlike public payphones, inmate-only phones in jails or other institutions are not available for use by the general public.

As noted in section I, the specialized requirements for inmate-only service address a variety of needs. Restricting call type, blocking certain calls, and special operator handling are a necessity in the correctional facility environment. Requirements can be set so that security is not jeopardized, so that inmates

have reasonable access to telephone service, and so that criminal or other antisocial activity is deterred.

The limited availability of inmate-only phones and the particular phone system needs of correctional administrators and officers create a distinct set of requirements for inmate-only phones not applicable to other, more generally available payphones. Numerous states have recognized that inmate-only phones are "fundamentally different" from public payphones. Mississippi Order at 3; see also Alabama Order at 5; Georgia Order at 4; Nevada Order at 17. These states have considered the special requirements for telephone service in correctional facilities. Local officers and administrators of the facilities involved have participated in the state proceedings to provide their expertise on the phone system requirements in correctional facilities.⁷ After considering the input of correctional facilities experts, the states have consistently found that inmate-only phones require separate treatment from other phones, in particular with respect to operator service rules. The Public Service Commission of Nevada, for example, stated that "[i]t is absurd to apply the unrestricted [Operator Service Provider] access requirement . . . to telephones inside jails." Nevada Order at 17.

⁷ Federal correctional officials have a similar expertise in the day to day operation of a facility and a suitable phone system in that environment; these state and federal correctional official are in the best position to determine particular requirements of an inmate-only phone systems in federal correctional facilities.

In the context of developing operator service rules, the Commission has also already ruled that the considerations applicable to inmate-only phones distinguish them from other telephone services. In 1990, Congress enacted the Telephone Operator Consumer Services Improvement Act ("TOCSIA"), and the Commission began a rulemaking to implement TOCSIA (the Access Proceeding). The objective of TOCSIA and the Access Proceeding was to provide end users a full range of choices among services and providers. An important aspect of the consumer choice goal was unrestricted access to a variety of carriers and services, to allow the consumer to exercise control over calls.

At payphones, for example, the Commission ordered that 10XXX codes be unblocked and that carriers provide 950 or 800 access to their services. Access Proceeding, 6 FCC Rcd 4736 at 4739, 4744. As the Commission stated in the Notice in the instant proceeding, unblocking and 950 or 800 access will enable "callers...to reach their OSP of choice from any pay telephone or other aggregator location..." Notice, ¶ 8.

But, even while the Access Proceeding confirmed the right of choice and control for end users generally, the Commission acknowledged the uniqueness of inmate-only phones and stated "that the definition of 'aggregator' does not apply to correctional institutions in situations in which they provide inmate-only phones."⁸ Operator Services Proceeding, 6 FCC Rcd 2744 at 2752

⁸ In contrast, the Notice lists prisons as examples of aggregators. Notice at n.6. ICSPTF assumes the Commission is (continued...)

(1991). In the Operator Services Proceeding, the Commission defined "aggregator" as a provider of telephones to the public or to transient users. Id. at ¶ 8. As the Commission noted, inmate-only phones are available for use by only a limited group, and are not used in provision of service to the general public or transient users. The Commission concluded that inmate-only phones are not subject to the Commission's requirements for provision of operator services. Operator Services Proceeding at ¶ 15. The Commission thus recognized that in the highly controlled inmate-only phone environment, end user choice and control are not paramount considerations.

While BPP may be viewed as further enhancing the objective of end user choice by routing a call to the billed party's choice of service providers, BPP is incompatible with inmate-only phones. As the Commission and numerous state utility commissions have recognized, inmate-only phones are distinctly different from other phones, and should, therefore, be treated differently. Particular requirements such as specially trained operators and limiting inmate calling to collect calls, and the many other restrictions and specialized capabilities distinguish inmate-only phones from other payphones.

In contrast to other phones, such as payphones, end user choice is not the primary objective of inmate-only phone service.

⁸(...continued)
referring to public payphones which may be located at prisons, but which are available for use by the public, as opposed to inmate-only phones, which are available for use only by inmates. See note 1, supra.